

## MINUTES

### **PUBLIC WORKS / PARKS & RECREATION COMMITTEE**

August 1, 2018

A meeting of the Public Works / Parks & Recreation Committee of the Council of the County of Kaua'i, State of Hawai'i, was called to order by Ross Kagawa, Chair, at the Council Chambers, 4396 Rice Street, Suite 201, Lihu'e, Kaua'i, on Wednesday, August 1, 2018, at 8:34 a.m., after which the following Members answered the call of the roll:

Honorable Arthur Brun (*present at 8:45 a.m.*)  
Honorable Mason K. Chock  
Honorable Arryl Kaneshiro  
Honorable JoAnn A. Yukimura (*present at 8:35 a.m.*)  
Honorable Ross Kagawa  
Honorable Derek S.K. Kawakami, Ex-Officio Member  
Honorable Mel Rapozo, Ex-Officio Member

The Committee proceeded on its agenda item as follows:

Bill No. 2710, Draft 1      A BILL FOR AN ORDINANCE AMENDING  
CHAPTER 12, ARTICLE 6, KAUAI COUNTY CODE  
1987, AS AMENDED, RELATING TO THE ENERGY  
CODE (This item was Deferred to the  
September 5, 2018 Committee Meeting.)

Councilmember Kaneshiro moved to approve Bill No. 2710, Draft 1, seconded by Councilmember Chock.

Committee Chair Kagawa:      Please note that Councilmember Brun is a few minutes away and Councilmember Yukimura is also on her way. Doug, may we have you up? I am wondering based on the past deferral, if we have any information as far as update costs and what have you.

There being no objections, the rules were suspended.

DOUGLAS HAIGH, Chief of the Building Division:      Good morning.  
Doug Haigh, Department of Public Works. We sent you a letter; I apologize for being a little late.

Committee Chair Kagawa:      No problem.

Mr. Haigh: There was a memorandum dated July 24<sup>th</sup>.

Committee Chair Kagawa: Oh, right here. Yes.

Mr. Haigh: We responded to the questions concerning cost for both the Electrical Code and the Energy Code.

Committee Chair Kagawa: For the public's information, what did the totals come out to? What is the total cost that you project?

Mr. Haigh: For the impact of the International Energy Code, based on a tropical home design, which is a new feature of the Code that they have identified that Hawai'i and places similar are different; therefore, they created a whole new section for residential tropical homes. The only significant change in the base code itself was the requirement of R-13 roofing insulation. Based on a one thousand five hundred (1,500) square foot house and this house we included the garage as part of that square footage, so we did not include insulating the roof in the garage, because that would not be required. We came up with a total cost of about one thousand dollars (\$1,000) for the cost of the material and the installation of the insulation. I shopped on The Home Depot website and that is where I got the material cost from. That is the impact. I did not cost out the requirement to provide electric vehicle (EV) circuit in the garage and the reason why I did not do that is that I have been anticipating this letter from the General Contractors Association (GCA) dated August 1, 2018. I received a copy of that last night.

Committee Chair Kagawa: We have it.

Mr. Haigh: We had been talking at the State Building Code Counsel. They are regularly represented there and we have been talking about this issue. I believe the change that they are requesting satisfies the basic need so that in the future if someone wanted to provide EV, they could do it with relatively low cost. At the same time, it is really no cost impact. Basically what they are saying for residential is you do not have to provide the outlet in the garage, but you do have to make sure that your electrical service and your panel has the capacity to add it later. I did look and priced out panels. The smallest panel being use would be a one hundred (100) ampere (amp) panel, which really are not being used anymore. A one hundred fifty (150) amp panel would be the upgrade to get you to where you would be able to provide this additional circuit, which is about a sixty dollar (\$60) cost difference in the panels. In talking to our electrical inspectors, pretty much everyone is putting in two hundred (200) amp panels already, based on just looking out for the customers. Most of the contractors are recommending and going with the two hundred (200) amp panels, because the cost is so small and it does provide a lot more flexibility for the future. I did not provide that cost in this one thousand dollars (\$1,000).

Committee Chair Kagawa: My question is on a follow-up to that amendment, if you put in a larger panel and I will give you a scenario, we are building a new house. You put in that larger panel, does Kaua'i Island Utility Cooperative (KIUC) have to put in larger capacity as far as bigger pipes?

Mr. Haigh: To my understanding, it is not significant that the sizing of the wires that are already going into the house are such that they can handle the higher amperage that is coming from the pole. You are already putting a good sized wire.

Committee Chair Kagawa: I had a conversation with a man at KIUC, I do not want to mention his name, but he is an engineer there. His concern when I talked about the electric vehicle mandate was that...he said that for KIUC, they would rather do it on a case-by-case basis. If they know the customer is going to have an electric vehicle, then allocate them more power. What do they use? They do an estimate of power that someone is going to need...what he is saying is that basically if ninety-nine percent (99%) of the people that are going to build a house is not going to own an electric vehicle, then why would KIUC allocate potential power to those houses? I could see if it was ninety-nine percent (99%) the other way. If ninety-nine percent (99%) of our people in the future are going to get electric vehicles, then yes, you allocate the potential power, but it is ninety-nine percent (99%) the other way. He does not know the impacts of the Energy Code Bill. He said KIUC was not involved, they do not know the impacts, but it is just a scenario. I asked him about mandating each house to have capacity to have an electric vehicle, his concern on KIUC's end was that he does not think from a management end that they would allocate the power. You have the rough-in, but they would not allocate the power. They would allocate the power once the customer says, "We are going to use it because we are going to have an electric vehicle," if you know what I am saying.

*(Councilmember Yukimura was noted as present.)*

Mr. Haigh: I hear what you are saying. Part of it where technology is moving, so in the future we really do not how much power is going to be required to charge the electrical vehicles. Already in our process at the task force, we started at fifty (50) amp circuit being required and then on further research, our energy expert told us, "Well with the newer equipment, that is not required, we can drop down to thirty-five (35) amp." We do not know where it is going to end up, but I think by allowing...and like you said, that is an issue for KIUC and other utilities in the islands. Actually, it has been brought up at the State Building Code Counsel is whether or not the photovoltaics (PV) should be charged away from the home or at the home and that is a debate going on and that is the utility company because they have to decide when the power is going to be used. In a way for a utility like KIUC who is really going to a lot of solar energy production, for them in a way it is better if cars are being charged during the day, because that is when they are getting that solar capacity without having to store it in battery. It is a complicated issue, but we still feel that the language that the General Contractors Association is providing is a

very reasonable proposal and it is kind of a compromise, so we minimize the cost to the homeowner. Like you said, KIUC could still reserve the right that...to me, the power is that since most homes are already going with two hundred (200) amp, it is kind of buried in there already. They are already adding additional capacity for future use, so it is really kind of a note change to what they are doing on the newer homes.

Committee Chair Kagawa: No, he did not tell me that. He is a pretty high ranking engineer there and for him to not have knowledge of the Energy Code, his only knowledge was the conversation by me, I find that to be a little troubling. I would hope that they would have those answers like this is what the Energy Code is requiring new homeowners to do and KIUC, what is the impact to you folks? When they say, "I do not know," for me and they are high ranking, I hope in the future we can include them in the loop, so that when I ask him the question, he knows the impact. We are asked to approve an Energy Code, the first in the State of all the municipalities, and I would like the answers to be clear. When I talk to the utility, I want them to know, "This is the impact, Councilmember Kagawa, and it is okay," but I have not heard that.

Mr. Haigh: Yes.

Committee Chair Kagawa: Councilmember Yukimura, did you have your hand up?

Councilmember Yukimura: I have questions.

Committee Chair Kagawa: Go ahead.

Councilmember Yukimura: I apologize for being late and not getting the first part of the conversation, but the issue is cost of the roof and the requirements to make the house flexible for the potential of an electric vehicle.

*(Councilmember Brun was noted as present.)*

Mr. Haigh: Yes, there are two (2) separate issues. One is the base code and what the requirements are with that and the other is the amendment for EV charging, which is kind of the one that we have had specific comments on. We have not really had specific comments on any other part of the Code, but we have had specific comments on the EV charging issue.

Councilmember Yukimura: And this amendment is already in the Bill or do we have to make it?

Mr. Haigh: We have not put forward an amendment to respond to the GCA letter and their recommendation. We got it last night. I have been hoping to get it sooner to be able to do such, but...

Councilmember Yukimura: Do you agree with the amendment? Are you going to be proposing it from the Administration or is it something you are choosing not to propose?

Mr. Haigh: We are supporting the task force and their recommendation.

Councilmember Yukimura: Okay.

Mr. Haigh: But I understand and I would have no objections if the Council chose to follow that recommendation and make such an amendment.

Councilmember Yukimura: Okay, and can you explain...sorry if you are having to repeat yourself, the existing draft or the Bill that is before us requires what and what is the GCA recommending?

Mr. Haigh: Okay. In our existing ordinance submitted, the current Bill, it requires to install rough-in for a future PV charging station in garages.

Councilmember Yukimura: Okay.

Mr. Haigh: We specified a thirty-five (35) amp circuit.

Councilmember Yukimura: Thirty-five (35) what?

Mr. Haigh: Thirty-five (35) amp circuit, so basically your panel would have to have the capacity for that, you would put in the breaker for that, and you would run the wires from the panel to a box that would be in the wall and it would be blanked off.

Councilmember Yukimura: Okay. That is like stub-outs and things that are done for future potential.

Mr. Haigh: Yes, for future use.

Councilmember Yukimura: Because the cost of installing it after-the-fact would be greater.

Mr. Haigh: Right, and the reason why I accept the logic of the GCA's proposal and their proposal is that they provide the service and panel capacity for that future potential use, and that is reasonable because if you had to upgrade your panel and service, that would be a significant cost; in the thousands of dollars range, maybe more. That is significant. Also, when we provide the rough-in location, that may not be the final location that the homeowner will want, so they

may need to move it. Of course it would be easier to move it if it is in the garage already, because they can just use a splice box and move it, but the cost to provide it from the panel...typically an electrical panel will be close to the garage, so it would not be that much cost to run the wiring in the future from the panel to the garage.

Councilmember Yukimura: Okay.

Mr. Haigh: I see it as a reasonable alternative.

Councilmember Yukimura: Okay, they are suggesting it as an alternative to what the current Bill suggests.

Mr. Haigh: That is correct.

Councilmember Yukimura: So, instead of a rough-in for the future PV of a thirty-five (35) amp circuit, a breaker, and running wires to the box, they are recommending service and panel capacity.

Mr. Haigh: Correct.

Councilmember Yukimura: Which is cheaper?

Mr. Haigh: Yes, because you are not paying for the wiring, the breaker, the cost to run the wiring, and the rough-in cost to putting in a box and a cover plate.

Councilmember Yukimura: But you are still making it easier to incorporate EV infrastructure in the future should the homeowner decide that?

Mr. Haigh: Correct.

Councilmember Yukimura: Okay, so that makes sense. I will introduce that, if we could, Staff.

Mr. Haigh: They also had one other recommendation and that was on the commercial side. This has been an issue Statewide and actually in their letter, they thought we had adopted the current language that the Department of Business, Economic Development & Tourism (DBEDT) is recommending to address the issue of EV chargers in parking for commercial facilities. Our Bill did not address that issue and there had been a proposal that...actually I did not support it at the State Building Code Counsel. I really supported the GCA one, of rather than trying to rough everything in for parking lots and whatnot, because the Building Division does not really regulate parking lots in the Building Code, but their proposal of just providing the capacity for that future rough-in, I supported. That does follow under our Code and is something we enforce, and also I think it is a really good idea, for the same reason why it is a good idea for residential, because if they do have to add that

capacity in the future, it would be much less expensive if the capacity is already there and they can rough-in when they need and know how they are going to address the EV issue. It is sort of like us in the County building. We provide EV chargers and we are providing more EV chargers in the near future and it is the capacity that is the issue. As long as we have the capacity, the expense of doing it, is not that great, but if you had to upgrade your service and your panels, then it would be significant.

Councilmember Yukimura: Are you leaning toward the GCA's recommendation?

Mr. Haigh: Right, I would recommend adding that commercial condition also to the Code. It is not something that we proposed different. We did not propose it at all, but I think them providing it is a good idea.

Councilmember Yukimura: Yes. And the cost of that would...

Mr. Haigh: It would depend on the commercial structure and the size of the structure, but again, typically it is not that big of expense to increase your panel size slightly during construction, because you are just paying the cost for the panel. This is where the utilities will get involved in more is because capacity for commercial is different than capacity for residential, so they do special calculations and determine the transformers and whatnot. Then, there would be impact to the utilities of adding this for capacity and it is dependent on what the magnitude of that capacity is.

Councilmember Yukimura: It would be helpful to have a County vision, but from everything I know and if we want to be a sustainable island, what is it in Sweden or Norway that fifty percent (50%) of their vehicles are electric vehicles or some amazing figure like that. We know that EVs create no greenhouse gas emissions in terms of its operation and that is the goal of society, that is why the State passed the law requiring commercial parking lots of a certain size to have electric chargers, because...

Committee Chair Kagawa: Do you have a question?

Councilmember Yukimura: ...you could not operate. This would be in line with the vision for the island, right?

Mr. Haigh: I will defer to you folks on vision; I am a worker, technical man.

Councilmember Yukimura: I thought and my hope that the Administration has a vision for the future.

Committee Chair Kagawa: We will have a new Mayor soon.

Councilmember Yukimura: Okay. But the decision is needing to be made by us today and we affect the future. In fact, a test of a leader is what happens after they are gone.

Committee Chair Kagawa: We will see.

Councilmember Yukimura: Adopting this GCA recommendation will move us toward a more electric vehicle future.

Mr. Haigh: It would make it easier to have a greater...and you will never know what the future is going to bring, but there are a lot of people supporting the concept that really we are getting to that tipping point where EV is really going to become much more prevalent.

Councilmember Yukimura: Okay.

Mr. Haigh: But it is certainly not today.

Councilmember Yukimura: No, in fact, we are planning for it.

Mr. Haigh: Yes.

Councilmember Yukimura: I will introduce that amendment today.

Committee Chair Kagawa: If you can hang on. I have a suggestion, but I will allow more questions right now. Are there any more questions? I have passed around a letter from the Contractors Association of Kaua'i (CAK). It was sent to me and I had worked along with Council Chair in meeting with the Contractors Association of Kaua'i and Aida as well, I want to thank Aida for all of her work. Karen Taketa came back with an estimate from the working group. "A conservative estimate of the additional cost to build or renovate this home to be about nine thousand four hundred dollars (\$9,400), an increase directly attributed to this Code amendment." She did not mention exactly who was on the board, but she said she had a wide variety. It is troubling because I do not think it is easy for us to dictate which estimate is right; the one thousand two hundred dollars (\$1,200) or the nine thousand four hundred dollars (\$9,400). That is a big part of our decision here. We want all the benefits of the Energy Code, we want it all, however, are we willing to accept that the cost may go up as high as what the CAK and their experts have determined? We keep talking about affordable housing, problems with affordable housing, problems with what millennials are faced with right now, and are we going to add in the name of safety and elimination of greenhouse gases, are we going to add possibly ten thousand dollars (\$10,000) to a new house with that passage of this Bill? Are we willing to massage it a little bit? I think we are going to need more time for that. I think the prudent thing would be to go back to the working group and try and find what areas we can massage and keep and what ones we should keep that are no-brainers to keep. My suggestion would be to defer. Karen's suggestion, if you read



the suggestion from the working group, is to make this Energy Conservation Code an option, not a mandate. I do not know whether the State Building Code Counsel will supersede it and that option will back fire anyway, so I think perhaps the more prudent thing to do would be to perhaps massage it as best as we can, because there are some things she suggested. Especially the one where insulation on roofing where the "CAK strongly supports the current Codes where insulation systems are mandatory only in the roof, unless the homeowner is going to install air conditioning (AC) in fifty percent (50%) or more of the home." To mandate full insulation when they do not have AC, I guess, is that you are not really losing energy.

Mr. Haigh: I can respond to that.

Committee Chair Kagawa: This is just from them.

Mr. Haigh: Yes.

Committee Chair Kagawa: We can go back and forth all day on what Energy Codes are more...and it is not me to convince, but I think what we need to convince ourselves is that when we pass this Bill that we are weighing everything and trying to balance so that we come out with the best bill. It is always easy if we were second or third and we let Honolulu or Maui be the guinea pig, but we are going first and it is a little bit more pressure here, if you folks can understand that. That is why it is hard for me to ignore what CAK brings to us. It is difficult. It is not about getting votes or anything; it is just about trying to do the right thing. I think we are trying to come up with a good solution. We know that we want this Council to deal with it as well and I am glad that you folks came back with your response. We asked you for a response and we did our meetings with CAK and they came back with their response yesterday in the afternoon, and we did not have time from yesterday afternoon to come up and massage that entire thing. It is a timing thing, so I am going to be asking for two (2) more weeks, at least. Councilmember Yukimura.

Councilmember Yukimura: In looking at this letter from the CAK, the re-roofing of an existing home, they are using a two thousand five hundred (2,500) square foot house. Your cost was from a one thousand five hundred (1,500) square foot.

Mr. Haigh: That is correct. Are you saying re-roofing or roofing?

Councilmember Yukimura: Do you have a copy of this?

Mr. Haigh: No, we have not seen that.

Councilmember Yukimura: Can we provide them with a copy?

Committee Chair Kagawa: I think it is the same thing, re-roofing and roofing.

Mr. Haigh: No, it is not. It is very different in the Code and our Bill actually greatly reduces the cost of re-roofing than it currently is with our amendments.

Committee Chair Kagawa: The Energy Code reduces...

Mr. Haigh: Yes, because what we did we put in a provision acknowledging current technology that there is a requirement that if you re-roof your house down to the plywood or whatever ceiling you have, that you then have to insulate, that is the current Code/current law. What we proposed rather than requiring that is...and this is for both commercial and residential, so it is a significant cost saving for both, is that as long as you use Energy Star roofing material, which will reduce the heat gain and make sure you have adequate attic ventilation than you do not need to insulate. That is a provision in the Bill that was supported and it was actually the Roofers Association on O'ahu that brought up the issue that you are doubling the cost of re-roofing if you keep that insulation provision in there and so we acknowledged that. We felt that as long as they are getting the Energy Star roofing material, which is better technology today, you are going to get a significant savings or reduction in the heat gain. While it would not be as much as insulation, it is significant and it is making a worse situation better. It is not taking it to the optimum, but the cost benefit we felt was appropriate because we really had people stressing and concerned when they looked at their re-roofing cost and what happens is you get the re-roofing done without getting permits and whatever, and then they just do whatever. At least this way we give them a way to do better and be able to be compliant with the Code.

Councilmember Yukimura: Yes, you want to encourage re-roofing because if people do not re-roof in a timely way, it would deteriorate.

Mr. Haigh: Well on Kaua'i, we need to re-roof more often than others. I fully support looking at this and looking at specifics in the Code, answering specifics, and working together on what the best solution is. It is like this roofing situation. We had the industry come back to us and say, "Hey, this is a big cost associated with the Code," and so we worked with them and came up with a solution that did not meet the base code, but was an improvement and we all agreed it was doable. They felt that the additional cost for Energy Star roofing was not at all significant to the cost of re-roofing.

Councilmember Yukimura: Thank you. Committee Chair Kagawa, I think what would be useful if we are going to defer for two (2) weeks is to have CAK working group sit down with Doug folks, because it looks like there are some assumptions here that were not accurate and it would be helpful if you can have all of those people around the table. The two thousand five hundred (2,500) square foot versus the one

thousand five hundred (1,500) square foot is comparing apples and oranges. You have to have a standard comparison. That is the type of discussion or conversation that could get to a potential consensus.

Committee Chair Kagawa: Well, I do not know how we come to a consensus when the CAK's number one stated recommendation is to make this Energy Code an option. It does not seem like they even want to massage it, if you can read really what they are saying. I want to check with the Building Counsel because I am pretty sure that changing it to an option and getting it passed on Kaua'i as an option, I am pretty sure it might trigger the State Counsel to say that amendment is not *pono*, and they would be stuck with the stricter...

Mr. Haigh: I believe that is how the State law would be interrupted because we have the option to amend the Code, but to say it is optional, it is no Code at all.

Committee Chair Kagawa: Yes, so...

Mr. Haigh: It is not a Code, it is just a guideline.

Committee Chair Kagawa: That is my fear in following their number one recommendation and that is why I want to massage it in. Go ahead.

Councilmember Yukimura: The thing is they may change their position if they understand the Code better, because like their first point on re-roofing, they apparently did not know about the Code change that happened during the process, so their estimated cost is not accurate. Therefore, if they find out what is true, they may not be so opposed to this.

Committee Chair Kagawa: I would not be so hopeful, but I am saying I do not want to criticize their knowledge.

Councilmember Yukimura: I am not criticizing.

Committee Chair Kagawa: Karen put together a working group with professional experience in all the areas. She said that I would be very impressed with her working group.

Councilmember Yukimura: I am sure.

Committee Chair Kagawa: I am not doubting her, so I do not want to question what they did not know or what they do know. I think they surely know more than me and you because they are in the industry. Go ahead.

Councilmember Yukimura: I am not criticizing their expertise. I am just saying they may not have the detailed knowledge and if they did—if we come to a

consensus and we can pass an amended Code with some of these changes that are going to reduce cost, it will be better than the State Code.

Committee Chair Kagawa: Yes, exactly.

Councilmember Yukimura: That might be the best of all.

Committee Chair Kagawa: Yes. That is what we want to achieve. I think it is important. Their number one recommendation as I read it, I agree with Mr. Haigh on that one, I do not think that would be a solution. We have to work it out and I do not think we can accomplish it here with us right here by ourselves. Let us defer it and then give us some time and me and Aida will try to meet and see what proposals we can massage.

Councilmember Yukimura: Maybe with your leadership, you could bring the two (2) groups together so that really I think this kind of cross-dialogue will be really helpful to finding a good bill and a better solution than the Energy Code or making the Energy Code optional.

Committee Chair Kagawa: Well...

Councilmember Yukimura: Thank you.

Committee Chair Kagawa: ...in order to be a good leader, I need two (2) sides that want to work together too.

Councilmember Yukimura: Yes.

Mr. Haigh: We fully support looking at the details, because this letter here does not give us any details of what the actual cost issues are. If we can find those details...and we are never going to...there is not going to be consensus. The contractors, their job is to build homes that are affordable...well, not affordable any more, but to build homes at the lowest cost possible within the direction they are giving, so that the homeowners can qualify for a loan and buy the house. One of the philosophies of the Energy Code is that it is not the first-time cost that is critical, it is your overall cost, so when we consider things if you are getting cost-savings over the life of the home and really it is the monthly payments that the owners are going to make, if he is saving on his electrical bill to pay for the added cost to his mortgage and his savings electric bill is greater than his added cost to the mortgage, to us, that is a good thing. That is where our philosophy is. It is two (2) basic different philosophies, but we also know each other and we understand where we are coming from and hopefully we can pick out specifics in the Code that are appropriate to amend and do better for Kaua'i.

Committee Chair Kagawa: Councilmember Kawakami.

Councilmember Kawakami: Just out of curiosity for residential building permits, you have different tiers, right? What percentage of your budget is contingent on that building permit fees coming into your Department?

Mr. Haigh: Specifically we get fifteen percent (15%) of building permit fees that go into the Building Permit Revolving Fund.

Councilmember Kawakami: Okay, so it goes into the Building Permit Revolving Fund. What is that Building Permit Revolving Fund utilized for?

Mr. Haigh: Excuse me?

Councilmember Kawakami: What is that Building Permit Revolving fund utilized for?

Mr. Haigh: It is utilized for additional hires for the Building Division. What has happened over the last ten (10) to fifteen (15) years is because of budget constraints, we have had general funded positions being funded by the building permit more than we originally anticipated. This year, we are constrained because we have at least two (2) positions that used to be generally funded that are now funded within the Revolving Fund and so it is reducing our ability to hire more people and do training by equipment. Right now, we are constrained on buying some software that is going to make it easier for our inspectors to do their job because we just do not have the funds in the Revolving Fund any more.

Councilmember Kawakami: I only raise the question because in CAK's testimony, it seems to allude that they are leaning towards having it as an option and then for the County to take a look at creating incentives because if we want to move people in the right direction, we try to create these incentives. I see Steve Hunt back there and his hair is going to stand up, but they did bring up the recommendation that we take a look at something like the safe room and now the fire suppression exemption, but I was wondering if you folks would be open to considering waiving building permit fees for the resident and the residential side and also the carport and garage permitting fees that are not done. It is just an idea. I am not sure if you would be open to it and if it does go towards the optional route and if we are truly sincere as far as being able to move people in the right direction. If that is something you folks can take a look at and how it would impact your Building Permit Revolving Fund, maybe that is something we can take a look at as well.

Mr. Haigh: We currently waive fees for low-income housing. That, we do. To waive all residential building permit fees would have a huge impact not only...

Councilmember Kawakami: But we would not know because we would not know how many people.

Mr. Haigh: Well, it would have an impact because we would move a chunk of our Revolving Fund and we would have to reduce staff probably right away, if that was proposed. Then of course, it would impact the General Fund because all of a sudden that revenue will no longer be available.

Councilmember Kawakami: That Building Permit Revolving Fund currently funds existing staff that you have?

Mr. Haigh: That is correct.

Councilmember Kawakami: Okay. We definitely do not want to impact your staffing levels because we know that you are stretched thinned. Thank you.

Committee Chair Kagawa: Are there further questions? I talked to Staff right now and Aida always thinks one step ahead for me, so she suggested maybe we look at more than two (2) weeks because I am probably going to need more time. I am also going to do that letter to the State Building Counsel, so we can see and hear the language that whatever assumptions we make are actually right or wrong because I think "option," we need to check with the State Building Counsel how they would rule on us having it as an option and what would happen when the two (2) years ran out. With that, is there any further discussion? Thank you, Doug. We will keep in contact, work together, and see if we can come up with a win-win. I want to thank the Department of Public Works. Is there anyone from the public wishing to testify?

There being no one from the public wishing to testimony, the meeting was called back to order, and proceeded as follows:

Committee Chair Kagawa: Is there further discussion before we take the motion for a deferral? Councilmember Kawakami.

Councilmember Kawakami: Thank you to Mr. Haigh and the team for the presentation. Philosophically, I support this Energy Code amendment, because I think it is a step in the right direction, but I think where we are getting tied up on is how this is going to affect actually getting roof over peoples' heads. When it becomes a mandate, there are certainly certain mandates that are very key when it comes to public health and safety. There are Building Code mandates that ensure that your house is structurally sound, but anyone that has been through the building process knows how extremely stressful it can be. If a married couple can stay married after going through that process, it is a testament to a strong marriage and a good foundation, not only for the house, but for the relationship. It is stressful. I have been through it myself and I can tell you that families have a certain amount of money that they can use to build a home and I can tell you that the homebuilder and owner has certain ideas and visions for what they want in that house. I can tell you I learned very quickly just to say, "Yes, Dear," but there were times where we would get into the debate on "this is how much money we have and where do we want to put that money." I certainly support the philosophy behind the Energy Code, but I think CAK

does bring up good valid points. Some of the pushback we get is the lack of communication and they brought about this team that is comprised of millennials and those are the folks that we are trying to get into homes. I think it would be prudent if we reached out, to let them know exactly what the cost involved is going to be, what it consist of, and to hear directly back. CAK said that if the public comes back and says that they want to see these changes, then they would be open to changing their position on it, but I think it deserves more discussion. I think it is well-intended, but whenever we are adding on cost to an already very expensive endeavor in the State of Hawai'i and on Kaua'i, I think we should act prudently and move with caution. Thank you.

Committee Chair Kagawa: Is there further discussion? Councilmember Kaneshiro.

Councilmember Kaneshiro: I was going to make the motion.

Committee Chair Kagawa: Councilmember Yukimura.

Councilmember Yukimura: I would like to say something. I appreciate the work very much that has been done at the State level and with our County's participation. I also appreciate the concerns of CAK, but I do think there has to be some discussion together because otherwise, you do not know whether you have the same assumptions that are being made and then you can come to different conclusions, which may not be different if you actually talked about it and come about with common consumptions. I know we are looking at upfront cost, but I think you have to look at the whole picture and the Energy Code is actually going to save people money in the long run because you see that the lifecycle cost, because of the savings in the electric bill. Once the upfront cost are paid for, after that, it is money in the pocket for the homeowners, as Mr. Haigh explained, it is lowering your electric bill. This is a really good thing for the community and also for the environment because it is going to lessen the need for AC and lessen the cost to the homeowner.

Committee Chair Kagawa: Thank you. I will close by thanking Mr. Haigh for all of his patience with this. I think in fairness to Mr. Haigh, he thought he covered all the basis when he had Don Lutao sitting on there. It was just unfortunate on this particular case, Don that normally serves as an advisor to CAK and in this case there is a disagreement between CAK and Don's position, especially on the cost. They are saying that the rich people can do all of these things voluntarily if they want. Remember I said that you can do it at the last meeting, right? You can do it, right, if you want to do it, you can do it voluntarily. You do not have to have a mandate and if you can afford it, of course you are going to do it, because what are you going to do with all of your money? But for the poor person, if it is ten thousand dollars (\$10,000) and you are saying, "Well, you are going to get it later," in today's economy, "later" does not work. Today is what matters. Ten thousand dollars (\$10,000) now, even if you are adding like the Hanamā'ulu subdivision, whether it is four hundred eighty-nine thousand dollars (\$489,000) or four hundred ninety-nine

thousand dollars (\$499,000), if you are poor, it matters. Four hundred ninety-nine thousand dollars (\$499,000) is worse, right? If you have to get a down payment, that is two thousand dollars (\$2,000) more. Two thousand dollars (\$2,000) is a lot for young people. For me, it is trying to do what we can. We hear the concerns. Are we just going to hear it, ignore it, or are we going to try hear it and work on it? I do not know what type of amendments we are going to agree upon, but at least we will get the answer in this time from the State so it is clear, and now we have to pose it back to CAK, "Your recommendation number one does not work, so we have to go back to the drawing board and hopefully we can come up with a solution at that point." Can we have that motion?

Councilmember Kaneshiro: I will add just as a side comment that for the most part we are all in agreement on the Energy Code and the items that we are looking at are things that will actually add cost to a homeowner, like this electric vehicle capability. Right now, the Code is requiring someone to put rough-in electrical vehicle charging station, when a homeowner may never ever have an electrical vehicle, so why would they want to add that cost to put it in? The conversation we are going through now is, do you give them the capacity and then if someone wants to put one in later, then they have the capacity and can put in that additional cost. Most of the things in here are to save cost, but there are also things in here that a new homeowner that builds it and has to put in this rough-in for an electrical vehicle charging station that may never ever own an electrical vehicle, then the argument may be what if you sell the house and someone in the future may want it, I think it has no benefit to the homeowner and they would say, "Why would I even need to put this in?" The person that buys the house later from me wants to put it in, then let them put it in, but why do I have to put the infrastructure in for it? I think the Code softens that by saying, "you will have the electrical capacity and if you decide to do it later, you can." I think those are just the small little tweaks that we are looking at to make sure that we do not impose unnecessary cost on the homeowner that they are never going to take advantage of. I appreciate this whole conversation and probably amendments that might come through.

Committee Chair Kagawa: Council Chair.

Council Chair Rapozo: I would like to add on to what Councilmember Kaneshiro was saying. We have gone through this many times as far as changing people's behavior and the only way you can do that is with incentives and not mandates. The fact that the garage is already outfitted with a charging system is not going to force someone or encourage someone to go out and buy an electric car. It is not. That is just the reality, because I have the plug, I going buy a car. If you want to change behavior, you want to move more people into electric vehicles, then you have to incentivize them whether it is through a tax credit or somehow. But to add a cost, I agree with Councilmember Kaneshiro, that for most people like myself, we would never buy an electric car just because my needs, and maybe later when the cars are built differently where you can use it a few days at a time between charges, maybe then I could, but I am on the road way too much and it does not benefit me. If you



want to change behavior, it is through incentivizes. If we are going to change the Code that is going to benefit outright all of the homeowners, then I can see adding it in. But in this case, anything that is going to add a cost, I would say, if you want that behavior change, you have to incentivize and not mandate.

Committee Chair Kagawa: Councilmember Yukimura.

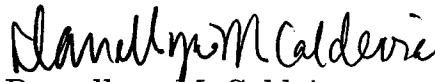
Councilmember Yukimura: I think we have the opportunity to make the present Bill before us better and cheaper, and so I hope that the deferral will lead us to that and I appreciate your leadership.

Committee Chair Kagawa: Thank you. I just want to restate that we want this Council to finish this Bill, because I do not think the next Council will be up to finish it in three (3) months or whatever they will have. It should be incumbent on this body here to finish our work.

Councilmember Kaneshiro moved to defer Bill No. 2710, Draft 1 to the September 5, 2018 Committee Meeting, seconded by Councilmember Yukimura, and unanimously carried.

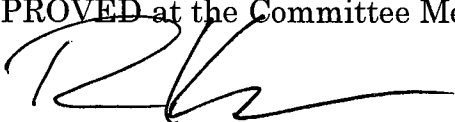
There being no further business, the meeting was adjourned at 9:25 a.m.

Respectfully submitted,



Darrellyne M. Caldeira  
Council Services Assistant II

APPROVED at the Committee Meeting held on August 15, 2018:



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ROSS KAGAWA  
Chair, PWPR Committee

